

BEFORE THE STATE TAX APPEAL BOARD
OF THE STATE OF MONTANA

DONALD E. & VIOLET V.)	
WILLIAMS REVOCABLE TRUST,)	DOCKET NO.: PT-2000-2
)	
Appellants,)	
)	
-vs-)	
)	
THE DEPARTMENT OF REVENUE)	FACTUAL BACKGROUND,
OF THE STATE OF MONTANA,)	CONCLUSIONS OF LAW,
)	ORDER and OPPORTUNITY
Respondent.)	<u>FOR JUDICIAL REVIEW</u>

The above-entitled appeal was heard on April 20, 2001 in the City of Great Falls, in accordance with an order of the State Tax Appeal Board of the State of Montana (the Board). The notice of the hearing was given as required by law.

Attorney Daniel E. Shannon represented the taxpayers. Testimony in support of the appeal was provided by Donald Williams, owner and Philip Rowen, appraiser. The Department of Revenue (DOR), represented by Rich Dempsey, an appraiser with the Cascade County Appraisal Office, presented testimony in opposition to the appeal. Testimony was presented, exhibits were received and the Board, requesting additional evidence from the DOR, issued a post-hearing order. In addition, the taxpayer was provided an opportunity to submit additional comments. The Board then took the appeal under advisement; and the Board having fully considered the testimony, exhibits, post-hearing submissions and all things and

matters presented to it by all parties.

The duty of this Board is to determine the market value for the subject property based on a preponderance of the evidence. The taxpayer is the appellant in this proceeding and, therefore, has the burden of proof. Based on the evidence and testimony, the Board finds that the decision of the Cascade County Tax Appeal Board is modified.

STATEMENT OF THE ISSUE

The taxpayers contend that the DOR has inequitably appraised the subject property in comparison with similar commercial buildings located in close proximity, therefore, overstating the market value.

FACTUAL BACKGROUND

1. The subject property is described as:

Unit A, of 501 Plaza Condominium, located on Lot 14, Block 316, Town of Great Falls, Cascade County, Montana, together with an undivided 88.7 percent interest in the common elements as described in the Declaration of Unit Ownership.

2. The DOR has established a market value for the land at \$35,480 and \$726,280 for the improvements.
3. The taxpayers timely filed an appeal with the Cascade County Tax Appeal Board on December 29, 1999 requesting a market value of \$28,648 for the land and \$500,000 for the improvements, stating:

Property tax on this property is totally inconsistent than similar commercial properties in Great Falls. Specifically, 600 Central Ave. and 2300 12th Ave. S.

4. In its June 29, 2000 decision, the county board denied the appeal, stating:

After hearing testimony and reviewing exhibits, the Board finds the values set by the Dept,. (sic) of Revenue and the appraisal method used reflect the true market value of this property. Land at \$35,480.00 and buildings at \$726,280. Appeal is disapproved.

5. The taxpayers timely filed an appeal with this Board on July 6, 2000 requesting a market value of \$28,648 for the land and \$500,000 for the improvements, stating:

The dollar amount of taxes paid by this taxpayer is inconsistent and 50% higher than superior properties downtown Great Falls. Please review attachments.

6. The taxpayer retained the services of appraiser, Philip L. R. Rowen, McKay Rowen Associates, to perform an appraisal (hereafter Rowen appraisal) of the subject property.
7. Based on information in the Rowen appraisal (exhibit #1), the requested value for the subject property was modified to \$35,480 for the land and \$620,360 for the improvements.
8. The market value of the land is no longer an issue before this Board.

TAXPAYER'S CONTENTIONS

Mr. Williams testified he purchased the subject property in 1998 for \$885,000. He contends that he paid more for the subject property than its market value in an effort to avoid paying capital gains taxes. Mr. Williams testified that, in his opinion, his purchase of the subject property does not meet the definition of

market value, "willing buyer and willing sell, neither being under the compulsion to buy or sell".

Exhibit #1, the Rowen appraisal is the basis for the requested improvement value of \$620,360. The \$620,360 was derived from DOR appraised values of various retail/office buildings in the downtown area of Great Falls. Pages 14 and 15 of the Rowen appraisal in summary state:

The following discussion is an attempt to support an assessment value of the subject property based upon "Equalization of Valuation". The following presentation supports an assessment value to the subject of \$655,840.

It should be noted that there has historically been little consistency in the community of Great Falls between assessment values for real estate tax purposes and actual market value of properties. Property assessment values for commercial properties in the community have in the past been less than market value.

The following is an excerpt from Montana Code in reference to real estate assessment procedures:

15-7-112. Equalization of valuations. The same method of appraisal and assessment shall be used in each county of the state to the end that comparable property with similar true market values and subject to taxation in Montana shall have substantially equal taxable values at the end of each cyclical revaluation program hereinbefore provided.

...The assessment procedure has been analyzed with respect to the assessment per square foot of gross building area (GBA), including basement area. The surveyed properties supported a range of assessments for the 1997 cycle from \$14.91 to \$37.37 per square foot. The range appeared to be quite significant given that the differences between the properties did not appear to be as significant as the assessment range would indicate.

...Based on the DOR's computation of the subject's GBA of 31,018 square feet, and a 1998 assessment of \$726,280 for the building improvement, an assessment of \$23.41 is supported to the subject.

...it appears that an assessment for the subject building in the range of \$19.00 to \$20.00 per square foot is supported. At \$20.00 per square foot, a building assessment of \$620,360 is supported and would be the upper end of the range of comparable

property assessments in the CBD, based upon "Equalization of Valuations". Assuming the DOR's site valuation of \$35,480, Equalization of Valuations and comparisons of the assessments of other properties would support an assessment of \$655,840...

The following table is a summary of information illustrated on pages 14 through 26 of the Rowen appraisal that form the opinion of value of \$620,360:

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ASSESSMENT SURVEY						
Property	Address	Description	GBA Includes Basement	1997/1998 Building Assessment	Building Assessment per Square Foot	Date of Assessment
#1	125 1 st Ave. N.	3 story office/retail, built 1975, remodeled 1991, good quality	31,424 SF	\$624,100	\$19.86	4/30/97
#2	501 1 st Ave. N.	3 story office/retail, built 1930, updates, avg. quality	44,406 SF	\$661,875	\$14.91	9/8/97
#3	510 1 st Ave. N.	2 story office, built 1947, updates, avg. quality	24,150 SF	\$518,750	\$21.48	4/17/97
#4	325 1 st Ave. N.	3 story office, built 1910, updates, avg. quality	15,720 SF	\$255,537	\$16.26	1/13/97
#5	526 1 st Ave. N.	2 story office, built 1910, remodeled 1980, good quality	22,006 SF	\$632,575	\$28.75	4/17/97
#6	425 Central Ave.	2 story office/retail, built 1912, remodeled 1984, good quality	29,222 SF	\$666,600	\$22.81	4/30/97
#7	21 3 rd St. N.	5 story office, built 1914, remodeled 1970's, good quality	80,000 SF	\$2,535,000	\$37.37	4/14/97
#8	600 Central Ave.	4 story office/retail, built 1950, updates, avg. quality	68,988 SF	\$1,652,500	\$23.95	1/10/97
#9	2300 13 th Ave. S.	1 story office, built 1960, updates, avg. quality	43,269 SF	\$589,380	\$13.62	4/5/97
Subject	501 Central Avenue	3 story office/retail, built 1926, remodeled 1970's, avg. quality	31,080 SF	\$726,280	\$23.37	4/6/98

With respect to the method of appraisal used by the DOR and data illustrated in the aforementioned table, the report further stated:

Of significant notation was the method of valuation utilized by the DOR in arriving at the assessments for these selected properties. All are investment properties, and it would seem reasonable to assume the Income Approach to be the most meaningful analysis. In five of the nine properties the Income Approach was used. "Reviewer Override" was used in three of the properties, which two of the properties resulted in the lower end of the range of surveyed properties, at \$14.91 and \$16.26 per square foot for 1997 assessments. "Override to Cost" was used in assessing the Wells Fargo Bank property, which resulted in the upper end of the range of assessments at \$37.37 per square foot. "Override to Cost" was also cited as the method of assessing the subject, which, in my opinion, is subjective at best.

In addition to a value based on equalization, the report established a market value as of April 8, 1998 at \$700,000. This date of value is consistent with the date of value suggested by the DOR's property record card (hereafter PRC). The PRC is illustrated in the addendum of the Rowen appraisal.

The Rowen appraisal suggests a value from the income approach of \$700,000 and \$704,010 from the comparable sales approach. (Exhibit #1, pages 65-80 & pages 81-88)

With respect to the cost approach, the report states:

...Due to the limited new development in the community from which to obtain and temper current construction cost indications, as well as the subjectivity required by the appraiser in determining accrued depreciation, the Cost Approach in this assignment could be considered speculative or suspect. Market participants in properties similar to the subject give little, if any credence to cost analysis in acquiring or selling commercial properties of comparable characteristics as the subject.

Thus, the Cost Approach is not considered to be appropriate in this assignment.

Mr. Rowen testified that the income approach is most

applicable for commercial property when market data is available and therefore, the final opinion of value for the property is \$700,000.

DOR'S CONTENTIONS

DOR exhibit A is a copy of the Declaration of Unit Ownership of "501 Plaza Condominium" a Condominium. Mr. Dempsey emphasized the document is dated July 12, 1996; therefore, the conversion occurred prior to the 1997 reappraisal. The property was converted to a condominium and consists of units A and B. Unit A is the portion of the property under appeal and Unit B is residential portion located on the 4th floor. Mr. Dempsey testified that he visited the property in 1997 and a portion 3rd floor was being remodeled along with the residential suite.

Mr. Dempsey testified that the income approach to value was considered, but not used to value the property. The income approach is illustrated on exhibit B, dated 4/4/97 and suggests a value of \$854,800. Mr. Dempsey indicated that this value is for the entire property, Units A and B.

Mr. Dempsey testified, *"...the Montana Department of (sic) is taxed with appraising these properties, we have only one alternative, and that is to appraise it in its whole. And that's what the Department of Revenue has done. Noting that we do split it out and value each unit as per the declaration. And the declaration here in this purposes has stated that Mr. Williams owns 88.7% and unit B is 11.3%..."*

The DOR's final determination of market value of \$726,280 for the structural portion of unit A was derived from the cost approach to value (exhibit E).

Exhibit F is the PRC for the entire property (Units A & B) and suggests a land value of \$40,000 and an improvement value of \$818,800. The following illustrates data depicted on exhibits E and F, along with testimony provided by Mr. Dempsey:

Exhibit F						
<u>Land Data</u>		Depth	Depth Factor	Unit Price (FF)		Land Value
Width						
50		150	100	\$800.00		\$40,000
<u>Improvement Data</u>						
Year Built		1924				
Year Remodeled		1994				
Effective Year (age)		1950				
Structure Type (353)		Office Building				
Grade - Construction Quality		Average				
Level	Size (SF)	Use	Physical Condition	Functional Utility	% Good	Replacement Cost New Less Depreciation
Basement	7,500	Support	2-Fair	2-Fair	35%	\$49,040
First	7,500	Retail	3-Average	3-Average	50%	\$247,010
Second & Third	7,500	Office	3-Average	3-Average	50%	\$491,850
Mezzanine	2,090	Office	3-Average	2-Fair	40%	\$29,320
Fourth	2,880	Apartment	3-Average	3-Average	50%	\$71,370
Other Building Features			Replacement Cost New			
Canopy			\$38,170			
Elevator			\$97,200			
Total Replacement Cost New Less Depreciation (RCNLD)						\$818,840
Summary						
Date					4/8/98	
Reason (method)					Cost Approach	
Land					\$40,000	
Improvement					\$818,800	
Total					\$858,800	

Exhibit E

501 Plaza Condo Unit A

Condominium Ownership	88.7%	Date	4/8/98
		Reason (method)	Cost Approach
			Unit A (subject)
Land Value	\$40,000	X	88.7%
Improvement Value	\$818,800	X	88.7%
Total			
			\$35,480
			\$726,280
			\$761,760

Mr. Dempsey testified that the portion of Mr. Rowen's appraisal that set forth the taxpayer's requested value is based on DOR's appraised values of other commercial office/retail buildings located in Great Falls. In exhibit C, the DOR referenced Department of Revenue v. State Tax Appeal Board, 188 Mont, 244, 250, 613 P. 2d 691 (1994):

Workable criteria for concrete determination of discrepancy has been delineated by the Iowa Supreme Court:

"In order to obtain relief upon the grounds that his property is assessed inequitably, it is essential that the taxpayer prove (1) that there are several other properties within a reasonable area similar and comparable to his; (2) the amount of the assessments on these properties; (3) the actual value of the comparable properties; (4) the value of his property; (5) the assessment complained of; (6) that by a comparison his property is assessed at a higher portion of its actual value than the ratio existing between the assessed and actual valuation of the similar and comparable properties, thus creating discriminations." Maxwell v Shivers, (1965) 257 Iowa 575, 133 N.W. 2d 709, 711

Mr. Dempsey also referenced Patterson v. Department of Revenue, 171 Mont. 168, 557 P. 2d 798 (1976)

When the taxpayer's property is appraised at market value he cannot secure a reduction of his assessment even if he is able to show that another taxpayer's property is under appraised.

BOARD DISCUSSION

This Board will address three separate issues raised by the taxpayer; (1) the value indication of the property as established from DOR appraised values from competing property; (2) equalization

of values, and (3) the market value of the subject property. In addition, the Board will discuss the appraised value as determined by the DOR.

In the first issue, the taxpayer has requested a value for the improvement portion of Unit A at \$620,360. Mr. Rowen established this value by reviewing DOR appraisals of nine comparable office/retail properties. Mr. Rowen testified that this value of \$620,360 is **not** market value, but is a value based on equalization.

While this analysis clearly supports a value indication of \$620,360 for Unit A, the Court's have been clear that one cannot argue for a reduced value based on the appraised value of another property. **Patterson v. Department of Revenue**, 171 Mont. 168, 557 P. 2d 798 (1976). This Board's jurisdiction in this appeal is to determine market value pursuant to **§15-8-111, MCA. Assessment - market value standard - exceptions.**

(1) All taxable property must be assessed at 100% of its market value except as otherwise provided.

(2)(a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

The second issue is equalization of value. Counsel for the taxpayer question the DOR as to the applicability of **§15-7-112, MCA**

Equalization of valuations.

The same method of appraisal and assessment shall be used in each county of the state to the end that comparable property with similar true market values and subject to taxation in Montana shall have substantially equal taxable values at the end of each cyclical revaluation program hereinbefore provided.

The Rowen report illustrated that nine comparable properties

were valued by the DOR either by the cost approach, income approach or reviewer's override (sales comparison approach). Counsel's argument related to different methods of appraisal employed by the DOR.

The Supreme Court in **Albright v. State of Montana, 281 Mont. 196, 933 P2d 815 (1997).** addressed the issue raised by counsel stating:

2. DEFINITION OF "METHOD," AS USED IN §15-7-112, MCA
[6] ...We conclude, however, based on the facts set forth previously, that the term "method," as it is used in §15-7-112, MCA, does not refer any single approach; rather, the term "method" refers to a consistent process for arriving at market value, the details of which may vary from place to place, depending on available data, and which will necessarily include a number of different approaches-e.g., the market data approach, the income approach, the cost approach-or some combination of these approaches, depending on the market in the area where appraisals occur. (emphasis supplied)

The final question to be answered by this Board is the appropriate market value for the subject property. **§15-2-301, MCA.**

Appeal of county tax appeal board decisions.

(4) In connection with any appeal under this section, the state board is not bound by common law and statutory rules of evidence of rules of discovery and may affirm, reverse, or modify any decision. (emphasis added)

The DOR has established an improvement value of \$761,760 by means of the cost approach to value. Mr. Dempsey was asked the question, "Is there any reason why you could not assess Mr. Williams, use the approach, the income approach to just Mr. Williams ownership of the building? Mr. Dempsey replied, "...when it's split into a condominium, we are in a mass appraisal system, we don't do individual appraisals and it becomes very hard with a

parcel tie-back and other factors entering into it, for us to do an income approach separately on one unit. Mr. Dempsey went on to testify, "It is my understanding we value the property as the declaration is set out."

The Board requested the DOR provide documentation through a post-hearing memorandum, citing statute, rule, or case law that states the DOR value a condominium property in the manner the subject has been valued, i.e., based on the percentage of ownership as stated in the recorded condominium documents. DOR legal counsel, Daniel Whyte, on behalf of the local DOR appraisal office, submitted a "memorandum of law" on May 14, 2001, at the request of the Board. The memorandum cites ***§15-8-511 MCA, Undivided interest in common elements of condominium project***

(1) ...Each unit owner must be assessed for the unit owner's percentage of undivided interest in elements of the condominium project, except parks, owned in common by unit owners. The percentage of undivided interest stated in a unit declaration is the figure to be used in assessing common elements under this section. (emphasis supplied)

The statute goes on to identify what constitutes a common element.

The DOR also cites **42.20.105 Condominiums**. Within 42.20.105 it states:

- (1) It is the intention of the department of revenue to employ an appraisal methodology for condominiums which is consistent with 15-8-111, MCA.*
- (2) (2) The department of revenue will employ the following appraisal and assessment methodology for the appraisal of condominiums, except for time share condominiums.*

- (a) The entire condominium project will be appraised using accepted appraisal techniques and the cost replacement manuals identified in ARM 42.19.101.
- (b) Appraised value will be allocated to each unit according to its percentage of individual interest in condominium common elements. The allocation will be based on the percentage of undivided interest in the common elements set forth in condominium declaration required by 15-8-111, 70-23-301, and 70-23-403, MCA. Allocation of appraised value will be determined by multiplying the percentage (expressed as a decimal) times the appraised value of the entire condominium project.

If the DOR's value for the entire structure is accurate, they have appropriately applied the percentages as illustrated in the "Declaration", as cited by 42.20.105(2)(b).

Pursuant to **§15-2-301 MCA, Appeal of county tax appeal board decisions.**

(4)...The state tax appeal board shall give an administrative rule full effect unless the board finds a rule arbitrary, capricious, or otherwise unlawful.

With respect to this property, the Board finds ARM 42.20.105(2)(b) arbitrary and capricious. The following illustration will explain the Board's reasoning.

The subject, Unit A, consists of approximately 30,647 square feet of area and Unit B consists of approximately 3,893 square feet of area. (Exhibit A, Section Four)

Unit A	30,647 SF	88.7%
Unit B	3,893 SF	11.3%
Total	34,540 SF	100%

The DOR has determined a value for the entire structure at \$818,800. The value attributed to Unit A is \$726,280 (\$818,800 X

88.7%). The value attributed to Unit B is \$92,520 (\$818,800 X 11.3%). The values were established from the cost approach to value. The problem with this method of appraising for this property is the application of the percentage of ownership expressed in the condo documents and applying those percentages to the total property value. Assume the owner of Unit B improves his property in the amount of \$50,000. Also assuming that the market is recognizing a dollar for dollar amount in improvement value. Based on this new construction the DOR revises the value accordingly:

DOR market value for the entire structure prior to new construction - \$818,800.

	Unit A	Unit B
Total structure value	\$818,800	\$818,800
Ownership %	88.7%	11.3%
Individual unit market value	\$726,280	\$ 92,520

DOR market value subsequent to \$50,000 improvement to Unit B.

	Unit A	Unit B
Total structure value	\$868,800	\$868,800
Ownership %	88.7%	11.3%
Individual unit market value	\$770,630	\$ 98,170

Based on the above scenario, the owner of Unit B made \$50,000 worth of real property improvements to his individual portion, but is only being assessed for \$5,650.

§15-8-201. General assessment day

(3) The department shall assess property to:

(a) the person by whom it is owned or claimed or in whose possession or in control it was at midnight of the of the preceding January 1 (emphasis supplied)

Mr. Williams has no ownership or control of improvements made to Unit B, but under the method the DOR has employed, Mr. Williams

would be paying the lion's share of the taxes for those improvements.

Mr. Rowen relied on the income approach in his report and has appraised that portion owned by Mr. Williams, Unit A. If the common elements, i.e. land, elevator, stairwells, etc., did not exist, it's doubtful that the property could generate income. It's apparent to the Board that Mr. Rowen's income approach is appraising only the portion that Mr. Williams owns and controls.

Mr. Rowen included property taxes as an operating expense.

ARM 42.20.106 Income Approach (3) *The department will use generally accepted procedures as outlined by the International Association of Assessing Officers in their text titled "Property Assessment and Appraisal Administration" when determining normal net operating income.*

(3)(c) Items which are not allowable expenses are depreciation charges, debt service, property taxes and business expenses other than those associated with the property being appraised.

(d) An effective tax rate will be included as part of the overall capitalization rate. (emphasis added)

International Association of Assessing Officers in their text titled "Property Assessment Valuation", Second Edition, states on page 241:

To develop the effective tax rate for any class of property in a jurisdiction, multiply the appropriate level of assessment by the current tax rate expressed as a decimal or a percentage. The value conclusion resulting from use of an effective tax rate is not prejudiced by a predetermined value judgment as it is when taxes are included as an expense item. The result will be the same for either method (subtracting the taxes from gross income as an expense or including them in the capitalization rate as an effective tax rate) as long as the same information is used for a given property.

The addendum of the Rowen report contains the tax rate (3.627%) and the mill levy (517.47) for year 2000 - 2001. Based on this data the effective tax rate for District 1C, Great Falls is

1.88% (.03627 X .51747).

Considering Mr. Rowen's income approach, excluding real estate taxes as an operating expense and modifying his capitalization rate to include an effective tax rate suggests the following value indication:

Effective Gross Income	\$156,027
Less Expenses	<u>\$ 61,499</u>
Net Operating Income	\$ 94,528
Capitalization Rate	0.11594
Effective Tax Rate	<u>0.01880</u>
Total Capitalization Rate	0.13474
Market Value	
NOI/Capitalization Rate	$\$94,528 / .13474 = \$701,559$
Total Value (Unit A)	\$701,559
Less Land Value	<u>\$ 35,480</u>
Value Attributed to Unit A Improvements	\$666,079

The value indication illustrated above is supported by the market value opinion of Mr. Rowen (page 2, exhibit #1).

Mr. Dempsey testified that the DOR did an income approach for the entire structure, units A and B, but did not consider it to be an appropriate indication of market value (exhibit B).

Summarized, this exhibit illustrates the following:

Potential Gross Income	\$149,317
Percent Occupancy (Vacancy)	\$ 13,319
Effective Gross Income	\$135,998
Less Expenses	<u>\$ 33,426</u>
Net Operating Income	\$102,572
Capitalization Rate	0.120
Effective Tax Rate	<u>0.000</u>
Total Capitalization Rate	0.120
Market Value	
NOI/Capitalization Rate	$\$102,572 / .120 = \$854,800$ (rounded)
Total Improvement Value	\$854,800

The DOR's income approach is not in accordance with its own

administrative rules, 42.20.106 (3)(d). Its own exhibit indicates that an effective tax rate was not applied.

It is the Board's opinion that the DOR's value indications from the cost and income approaches are either unsupported or not the best indication of market value.

ARM 42.20.455 Consideration of Independent Appraisals as an Indication of Market Value

- (4) *When a tax appeal board decision indicates that the independent appraisal value is market value for the property under appeal and the department files no further appeal within the time prescribed by law, the independent appraisal value shall become the value for assessment and taxation purposes until such time as changing circumstances with respect to the property requires a new valuation and assessment. (emphasis supplied).*

It is the Board's opinion that the best indication of market value is presented in the Rowen appraisal. Mr. Rowen has clearly demonstrated to this Board that he has valued the taxpayers' portion of the property. The value of the land was not contested and therefore will remain at \$35,480. The value of structural portion of Unit A is valued at \$664,520 (\$700,000 - \$35,480).

CONCLUSIONS OF LAW

1. The State Tax Appeal Board has jurisdiction over this matter.
§15-2-301 MCA.
2. **Section 15-8-111, MCA. Assessment - market value standard - exceptions.** (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.
3. **Section 15-2-301, MCA, Appeal of county tax appeal board**

decisions. (4) In connection with any appeal under this section, the state board is not bound by common law and statutory rules of evidence or rules of discovery and may affirm, reverse, or modify any decision.

4. ***Patterson v. Department of Revenue, 171 Mont. 168, 557 P. 2d 798 (1976).***

5. ***Albright v. State of Montana, 281 Mont. 196, 933 P2d 815 (1997).***

6. ***§15-2-301, MCA. Appeal of county tax appeal board decisions. (4)***
In connection with any appeal under this section, the state board is not bound by common law and statutory rules of evidence of rules of discovery and may affirm, reverse, or modify any decision.

7. ***§15-2-301 MCA, Appeal of county tax appeal board decisions. (4)...***
The state tax appeal board shall give an administrative rule full effect unless the board finds a rule arbitrary, capricious, or otherwise unlawful.

8. ***ARM 42.20.455 Consideration of Independent Appraisals as an Indication of Market Value***

9. The appeal of the taxpayers is hereby granted in part and denied in part and the decision of the Cascade County Tax Appeal Board is modified.

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office at 2000 tax year values of \$35,480 for the land and \$664,520 for the improvements.

Dated this 11th day of June, 2001.

BY ORDER OF THE
STATE TAX APPEAL BOARD

GREGORY A. THORNQUIST, Chairman

JERE ANN NELSON, Member

LARRY L. BROWN, Member

NOTICE: You are entitled to judicial review of this Order in accordance with Section 15-2-303(2), MCA. Judicial review may be obtained by filing a petition in district court within 60 days following the service of this Order.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 11th day of June, 2001, the foregoing Order of the Board was served on the parties hereto by depositing a copy thereof in the U.S. Mails, postage prepaid, addressed to the parties as follows:

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DONNA EUBANK
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